

STATE SCHOOL AID UPDATE

Michigan Department of Education



August 2007

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REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 190 school districts participated in the Michigan Municipal Bond Authority's (MMBA) State Aid Note (SAN) Program 2006B-2 or 2007A, and pledged their August 2007 school aid payment to Wells Fargo Bank. If your district participated in one of these programs, please be reminded that your August payment will not be deposited in your bank account. Rather, your payment will be deposited with Wells Fargo Bank and any excess funds will be returned to the school by them. If you have questions contact Lois Sauers, Michigan Municipal Bond Authority (517) 373-1728 or SauersL@Michigan.gov.

COMPETITIVE BID THRESHOLD

The new competitive bid thresholds to be used in construction projects, procuring supplies and capital as indicated in MCL Sections 380.623a, 380.1267, and 380.1274 will be computed and published on our website as soon as the August 2007 Consumer Price Index information is released by the U.S. Department of Labor. This information is usually available by the second Monday in September. Districts should use the 2007 thresholds for any contracts issued prior to the release of that information. The threshold information may be found on our website at: http://www.michigan.gov/mde/0,1607,7-140-6530_6605-21356--,00.html. Questions related to the competitive bid thresholds should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at BooneP2@Michigan.gov.

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All public schools that received state school aid during 2006-2007 are required to electronically submit financial data to the Financial Information Database (FID) by November 15, 2007. Failure to submit the FID data by that date is cause for the withholding of future state school aid payments (MCL 388.1618(8)). Questions related to the financial data required in this submission may be directed to Glenda Rader at (517) 335-0524 or e-mail RaderG@Michigan.gov. **The FID application will open for district submissions on September 4, the Tuesday after Labor Day.** At least one staff member must be designated by each district and public school academy to submit data via the FID application. To become authorized, this individual must download and complete a security agreement. To locate the agreement, go to www.Michigan.gov/CEPI, click on "MEIS Data Services" from the left-side navigation bar, and then on "Financial Information Database." In the pink box titled "Upload FID Data to CEPI," click on the "FID Security Agreements" link. Questions related to accessing the system or submission of data to the FID may be directed to the DIT Client Service Center by e-mail at Help-Desk@Michigan.gov or telephone (517) 335-0505.

2006-2007 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported on the 2006-2007 financial data submission should be consistent with amounts shown on the district's August 2007 State Aid Financial Status Report. Minor differences may occur as the result of accounts payable and receivable issues. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix as indicated in the *Michigan Public School Accounting Manual*. Account numbers for the 2006-2007 state school aid revenue may be found on our website at: http://www.Michigan.gov/mde/0,1607,7-140-6530_6605-21356--,00.html

Deferred Revenue – any restricted state grant funds (i.e., At Risk, Adult Education, Math/Science) remaining unspent at year end should be recorded in the financial statements as deferred revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without restriction as to use. Questions related to revenue recognition should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at RaderG@Michigan.gov.

POSTING OF BUDGETS TO A WEBSITE

Language in Section 18(2) of the State School Aid Act requires local districts, intermediate districts and public school academies to post their annual operating budget and subsequent amendments on their website within 30 days of being adopted by the board. The budget postings should include the General Appropriation Resolution for all funds for which the board adopts a budget. For further information regarding this requirement and the format of the budget, please see Section IV, page 7 of the *Michigan Public School Accounting Manual*. Questions related to the budget should be directed to Glenda Rader, Office of State Aid and School Finance at (517) 335-0524 or by e-mail at RaderG@Michigan.gov

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th and final payment of the 2006-2007 year.

Updated categoricals – The following categoricals were updated in the August payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Section 32d – Michigan School Readiness – Connie Robinson, School Excellence, (517) 241-4291, RobinsonConnie@Michigan.gov.
- Section 107 – Adult Education - Joellen Wonsey, State Aid and School Finance, (517) 373-3352, WonseyJ@Michigan.gov.

WITHHOLDING OF SECTION 31A AT-RISK FUNDS

Pursuant to State School Aid Act Section 31a(9), local districts and public school academies that did not submit the 2006-2007 Section 31a Program report by July 15 will have the August portion of the annual At-Risk allocation withheld until the Department receives the report. If the report is not received by September 30, the withheld funds will be forfeited. Please note that if the Office of State Aid and School Finance received notification from the Office of School Improvement that a report was received prior to the calculation of the August payment, the funds were not withheld. Questions may be directed to Judy Thelen, Office of School Improvement, (517) 335-1266 or e-mail ThelenJA@Michigan.gov. The 2006-2007 Section 31a Program Report form is available in the Michigan Electronic Grants System (MEGS) at <http://megs.mde.state.mi.us/megs/>.

DEFICIT DISTRICT INFORMATION

Deficit Elimination Plans for districts or academies incurring a negative general fund balance as of July 1, 2007 are due to the MDE by August 31, 2007. If audited financial data for the 2006-2007 school year are not yet available, please use the most recent board adopted budget figures in the "Actual 2006-2007" column. Current Deficit Elimination Plan forms are available on the Department's website at http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html. Questions related to Deficit Elimination Plans should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at BooneP2@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- October 23, 2007 is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be at the Eagle Eye Golf Club located just outside of East Lansing in Bath, Michigan.
- Pursuant to Section 380.1284b of the Revised School Code, unless it conflicts with a calendar agreed to as part of a current collective bargaining agreement that was in effect as of September 29, 2005, **school is not to be in session prior to Labor Day** (September 3, 2007).
- **Wednesday, September 26** is the **pupil membership count day** for 2007-2008 and the second adult education participant count day of the year. (Joellen Wonsey, (517) 373-3352, WonseyJ@Michigan.gov).
- The **SE-4096 Special Education Cost Report** for the 2006-2007 school fiscal year is due on **September 30**. (Dianne Easterling, (517) 373-6488, EasterlingD@Michigan.gov).
- The **SE-4094 Special Education Transportation Expenditure Report** for the 2006-2007 school fiscal year is due on **October 8**. (Dianne Easterling, (517) 373-6488, EasterlingD@Michigan.gov).
- The October 20, 2007 state school aid payment is the first payment of the 2007-2008 fiscal year. There is no September school aid payment.
- Districts are required to report by **November 1** to the local health department the immunization status of all students entering kindergarten or a new school in grades 1-12. Also, districts are required to report by **November 1** to the local health department the **immunization status** of all pupils who enrolled in grade 6 in the district or ISD for the first time between January 1 and September 30, 2006. (Patty Lawless (517) 373-1122, LawlessP@Michigan.gov).
- **November 1** is the deadline for local districts (including PSAs) to file their **2006-2007 financial audit report** with the ISDs. Both the **financial and pupil accounting audit reports** are due to the Department on **November 15**. Failure to file these reports will result in the withholding of state aid. (Kathy Weller, (517) 335-6858, WellerK@Michigan.gov).
- The **2006-2007 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 15** (see related item above) . Failure to file this reports will result in the withholding of state aid. (Glenda Rader, (517) 335-0524, RaderG@Michigan.gov).
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$206.237920597. Section 29- Declining Enrollment proration is .0938773324. Section 56 – ISD Special Ed Millage Equalization proration is .9637271231.